

May 22, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**TELEPHONE KIOSK  
SPONSORSHIP AGREEMENT  
(3<sup>RD</sup> and 4<sup>TH</sup> DISTRICTS)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize and instruct the Chair of the Board of Supervisors to sign the attached ten-year Telephone Kiosk Sponsorship Agreement (Agreement) with Verizon California, Inc. (Verizon), granting Verizon the exclusive right to sell advertising on Telephone Kiosks while maintaining public telephones on County owned and/or operated beaches and Marina del Rey, thereby securing emergency 911 public access. This Agreement will result in up to \$462,000 in cost savings for the Department of Beaches and Harbors and \$1,225,000 in cash designated to offset Department Water Awareness, Training, Education and Recreation (W.A.T.E.R.) Program costs over the ten-year period, effective upon your Board's approval.
2. Grant the Director of the Department of Beaches and Harbors (DBH), with concurrence of County Counsel, the authority to execute nonmaterial amendments to the Agreement during the ten-year term.
3. Find that the recommended action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Your Board approved a sponsorship agreement with Transportation Displays Incorporated (now known as Viacom Outdoor) on June 16, 1992 for the Telephone Kiosk sponsorship program on beaches owned or operated by Los Angeles County and in Marina del Rey (Beaches). Throughout Fall 2002 – early Spring 2003, DBH solicited a new sponsor for this program and Verizon submitted

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the most advantageous proposal. Verizon has agreed to pay the County through escalating annual fees a total of \$1,225,000 over ten years for the exclusive right to sell advertising on the Telephone Kiosks. Verizon will also ensure the ongoing operation of public pay telephones on the Beaches, as well as the maintenance, graffiti removal, repair and replacement of the Telephone Kiosks.

The Telephone Kiosk program has provided the public with the critical benefit of access to emergency 911 phone services on the Beaches. Without the ability to generate revenue from the advertisements sold on the Kiosks, Verizon could not afford the costs of operating these phones without subsidies from the County; this sponsorship will remove that financial liability from the County and work to ensure that in the event of an emergency, the public has access to call for 911 emergency services. This is important, particularly in remote areas, as our Beaches are frequently used for recreation from early morning to late at night and the presence of public pay phones could make a life or death difference.

The other benefit of this program is that Verizon's payments will be used to support the DBH's successful W.A.T.E.R. youth program, which has been in existence since 1986. This program uses County lifeguards to teach ocean education skills to Los Angeles County youth, with emphasis on inner city and special needs youth. It has been highly successful in reaching out to thousands of these youth and making it possible for them to receive education in ocean safety/recreation skills and the marine environment.

In exchange for these benefits, Verizon obtains the right to sell advertisements on 101 Telephone Kiosk panels.

This Agreement provides that the Director of the DBH (Director), with the concurrence of County Counsel, is authorized to execute nonmaterial amendments.

#### Implementation of Strategic Plan Goals

Entering into this agreement will promote "Service Excellence" and "Fiscal Responsibility" of the County's Strategic Plan Goals. The Goal of "Service Excellence" is promoted by providing emergency 911 access through public pay telephones that are placed throughout the Beaches. Because this service is entirely funded by Verizon without County subsidies and Verizon will also provide funding to help offset the costs of the Department's youth program, the Goal of "Fiscal Responsibility" is also supported by this Agreement.

### **FISCAL IMPACT/FINANCING**

Verizon will provide the funding for this sponsorship through annual payments that begin at \$100,000 and then increase by \$5,000 a year, for a total of \$1,225,000 in payments over ten years. In addition, the Department will avoid having to pay up to an estimated \$462,000 total in monthly fees over the next ten years, which is calculated from the \$55 monthly fee that Verizon could charge for operating the 70 phones currently on the Beaches.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Verizon may use the services of a separate agency to sell advertising on the Telephone Kiosks. However, Verizon will indemnify the County for any liability incurred through such a separate agency and will oversee its activities.

All advertising placed on the Telephone Kiosks will be subject to approval by the Director and the Chief Lifeguard.

County Counsel has approved this Agreement as to form. On March 19, 2003, the Beach Commission unanimously approved DBH's recommendation.

### **CONTRACTING PROCESS**

DBH sent out 71 letters soliciting interest in Telephone Kiosk sponsorship to advertising agencies that purchase advertising and to other interested companies. Another 133 companies were notified and invited to obtain proposal information through the Department's website. Newspaper ads were placed in the Los Angeles Times, Daily News, Chinese Daily News, Eastside Sun, Los Angeles Business Journal, and the Los Angeles Sentinel. In addition, proposal announcements were placed on the County's general website for purchasing and contracting opportunities, as well as through other websites that advertise public-private sponsorship opportunities.

The Department received proposals from two other companies and Verizon offered a financially superior package of benefits for the County.

### **ENVIRONMENTAL DOCUMENTATION**

Approval of this Agreement is categorically exempt from the provisions of CEQA pursuant to Class 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.

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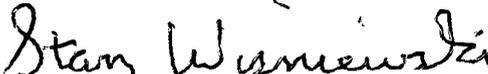
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this Agreement will enable the DBH to continue providing the important public safety benefit of having emergency 911 access available to the millions of annual visitors to the Beaches, while also maintaining the financial underwriting of the W.A.T.E.R. youth program, which provides ocean educational instruction to thousands of youth from all Supervisorial Districts. As the former sponsor has left its Telephone Kiosks in place on public pay telephones on the Beaches, Verizon will be able to immediately use them to continue the program uninterrupted.

**CONCLUSION**

Instruct the Executive Officer, Board of Supervisors, to forward an approved copy of this Board letter and two executed originals of the Agreement to the Department of Beaches and Harbors.

Respectfully submitted,

  
Stan Wisniewski, Director

SW:kg

Attachments (1)

c: Chief Administrative Officer  
County Counsel  
Auditor-Controller  
Executive Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF BEACHES AND HARBORS

**TELEPHONE KIOSK  
SPONSORSHIP AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a body  
corporate and politic, hereinafter  
referred to as "COUNTY"

AND

VERIZON CALIFORNIA, INC., a  
California corporation, hereinafter  
referred to as "SPONSOR"

WITNESSETH:

WHEREAS, COUNTY is authorized by California Government Code Section 26109 and pertinent provisions of Los Angeles County Code Chapter 2.132 to sell the right(s) to advertise on those beaches and the harbor located within Los Angeles County that are now or hereafter owned or operated by the COUNTY ("Los Angeles County Beaches"); and

WHEREAS, COUNTY desires to ensure that public pay telephones providing emergency 911 access are available to visitors and residents on Los Angeles County Beaches at no cost to the COUNTY; and

WHEREAS, SPONSOR desires to cooperate with COUNTY in providing emergency 911 access by maintaining and potentially expanding the number of public pay telephones available on Los Angeles County Beaches; and

WHEREAS, SPONSOR desires through the payment of cash fees to offset a portion of the costs for the Water Awareness, Training, Education and Recreation (W.A.T.E.R.) Youth Program operated by the Los Angeles County Department of Beaches and Harbors; and

WHEREAS, SPONSOR desires that in exchange for the public pay telephones and the cash fees provided to COUNTY, it be granted the exclusive right to construct, install, and maintain telephone enclosures (Telephone Kiosks) exterior to public pay telephones throughout the Los Angeles County Beaches, and display advertising on the Telephone Kiosks;

IT IS THEREFORE agreed by and between COUNTY and SPONSOR as follows:

1. **Definitions:** As used herein, the terms set forth below shall be defined as follows:
  - A. "Agreement Year" shall mean the 12-month period commencing on the date this Agreement is approved and executed by the Board of Supervisors, and each following 12-month period thereafter throughout the term of this Agreement.
  - B. "Business Day(s)" shall mean a day or days of the week falling on Monday, Tuesday, Wednesday or Thursday; COUNTY Holidays are specifically excluded.
  - C. "Chief Lifeguard" shall mean the Chief Lifeguard of the Los Angeles County Fire Department Lifeguard Operations Division.
  - D. "Commencement Date" shall mean the date this Agreement is approved and executed by the Board of Supervisors, which is the effective date of this Agreement.
  - E. "Department" shall mean the Los Angeles County Department of Beaches and Harbors.
  - F. "Director" shall mean the Director of the Department of Beaches and Harbors.
  - G. "Lifeguard(s)" shall mean the Los Angeles County Fire Department Lifeguard Operations Division.
  - H. "Los Angeles County Beaches" shall mean those beaches and the publicly operated areas of the harbor over which the Department has jurisdictional and/or operational authority.
  - I. "Promotional Panel(s)" shall mean the 26" x 50" panel(s) on the Telephone Kiosk that is designated for placement of advertisements sold by the Sponsor, with all such advertisements being visible only from the outside of the Telephone Kiosk and none facing the inside of the Telephone Kiosk.
  - J. "Public Telephones" shall mean public pay telephones located on Los Angeles County Beaches.
  - K. "Telephone Kiosk(s)" shall mean an enclosure(s) that is/are specifically designed and adapted to attach to a Public Telephone with an exterior integral casing utilized for the purpose of displaying up to three (3) Promotional Panel(s).
  - L. "W.A.T.E.R. Program" shall mean the Water Awareness, Training, Education and Recreation Youth Program operated by the Department, or its successor program(s).

2. **Rights Granted to SPONSOR**  
Subject to the conditions set forth below, COUNTY grants to SPONSOR, during the term of this Agreement, the exclusive sponsorship right for the Telephone Kiosk program on the Los Angeles County Beaches, which right is more

specifically set forth below.

A. The exclusive right to design, construct, install and maintain 49 Telephone Kiosks bearing 101 Promotional Panels, as well as to sell and place advertising on the Promotional Panels, all of which is subject to the limitations herein.

B. The SPONSOR may increase the number of Telephone Kiosks and Promotional Panels on Los Angeles County Beaches allowed in this Section upon obtaining approval from the COUNTY and all other appropriate regulatory agencies. Increases in Promotional Panels that in total exceed twenty-five (25) percent will increase the annual fee paid to COUNTY pursuant to Section 3.A.1 below as stipulated in Section 7 below.

C. SPONSOR expressly acknowledges that the right granted in this Section only relates to the Telephone Kiosks and does not pertain to COUNTY's other existing or future signage agreements not involving the Telephone Kiosks. Apart from the Promotional Panels, Department or SPONSOR shall permit no advertising signage to be placed on the Telephone Kiosks without the written permission of the other party.

**3. Obligations of SPONSOR**

**A. Payment of Annual Fee**

- 1) For the exclusive right to sell advertising on the Promotional Panels located on all Telephone Kiosks, SPONSOR agrees to pay COUNTY an annual sponsorship fee for each Agreement Year as follows to be used to assist in funding the W.A.T.E.R. Program:

First Agreement Year	--- \$100,000
Second Agreement Year	--- \$105,000
Third Agreement Year	--- \$110,000
Fourth Agreement Year	--- \$115,000
Fifth Agreement Year	--- \$120,000
Sixth Agreement Year	--- \$125,000
Seventh Agreement Year	--- \$130,000
Eighth Agreement Year	--- \$135,000
Ninth Agreement Year	--- \$140,000
Tenth Agreement Year	--- \$145,000

The payment for each Agreement Year will be divided into four (4) equal installments that are payable every three months. The first quarterly payment for the First Agreement Year is due and payable 10 days after the Commencement Date. Each subsequent payment is due and payable on the first day of each successive three-month

period after the Commencement Date. SPONSOR does not require an invoice from COUNTY to make its payments on time to the COUNTY. All late payments will accrue interest at an annual interest rate of 10% beginning the day after the payment is due, and any applicable interest charge shall be calculated as of the date a payment is received, and the proceeds from any payment shall be applied first to pay outstanding interest charges, if any.

B. Provision and Maintenance of Telephone Kiosks

- 1) The SPONSOR will bear all costs for keeping the Telephone Kiosks in a safe, clean and attractive condition and meeting all County requirements for their design, construction and placement. This responsibility includes producing and installing the Telephone Kiosks, as well as maintaining, repairing, removing and replacing them when they are weathered, damaged by the elements or damaged by graffiti and/or vandalism. SPONSOR shall conduct routine inspections of the Telephone Kiosks at least twice a month. SPONSOR shall repair or replace within five (5) days any damaged, vandalized or graffitied Telephone Kiosk that is reported to SPONSOR by COUNTY or found by SPONSOR during its maintenance inspections. If damage, vandalism or graffiti to a Telephone Kiosk is such that in the COUNTY's determination public safety in the area of the Telephone Kiosk is endangered, then SPONSOR shall repair or remove the Telephone Kiosk within 48 hours of COUNTY's notification; however, COUNTY reserves the right to remove more immediately part or all of any Telephone Kiosk that poses a danger to public safety. The SPONSOR shall routinely provide COUNTY with maintenance reports every 3 months, or on other occasions as requested by COUNTY but not sooner than thirty days following the prior maintenance report. Such maintenance reports shall detail in a manner satisfactory to COUNTY the SPONSOR's inspection activities and shall report which Telephone Kiosks have been repaired and/or replaced.
- 2) The SPONSOR will bear all costs for installing, maintaining and replacing advertisements on the Promotional Panels. The Promotional Panels must either display an advertisement or public service message at all times.
- 3) The SPONSOR will allow COUNTY to place public service messages on any Telephone Kiosks that have unsold advertising on the Promotional Panels, and SPONSOR shall install, maintain and remove all such messages on behalf of the COUNTY.

- 4) The SPONSOR will be responsible as directed by COUNTY for moving and, as necessary, relocating Public Telephones with Telephone Kiosks in the event of construction or other public service/safety conditions.
- 5) The parties acknowledge that Public Telephones are provided under the Agreement By and Between COUNTY and Pacific Bell Telephone Company to Provide Pay Telephone Services dated April 10, 2001 (agreement #73303) or such other subsequent agreement for the provision of pay telephone services as COUNTY may enter into (the "Payphone Agreement"). Pursuant to its subcontractor relationship with SBC Communications, Inc., aka Pacific Bell Telephone Company, the SPONSOR will be responsible for maintaining a working public pay telephone at all Public Telephones that have a Telephone Kiosk, and except as provided in the Payphone Agreement will not be allowed to remove such Public Telephones without the written permission of the Department.
- 6) The SPONSOR will be responsible for removing and disposing of any or all of the Telephone Kiosks as directed by COUNTY by the expiration date or earlier termination date of this Agreement. In the absence of such notification, the Telephone Kiosks shall become the property of COUNTY upon expiration or earlier termination of this Agreement.

C. The SPONSOR may contract with another company or other companies to perform its obligations under this Agreement. However, the SPONSOR will be held responsible by the COUNTY for the performance of such company(ies) in fulfilling the SPONSOR's obligations.

D. As the advertising agency selected by the Department, SPONSOR shall pay an annual payment of one dollar (\$1.00) to COUNTY's contractor under the Payphone Agreement in reference to all revenues generated from the sale of advertising on the Promotional Panels. All other respective fees payable under the Payphone Agreement by the SPONSOR or any other party to that agreement shall remain as separately negotiated therein.

4. **COUNTY Obligations**

In exchange for SPONSOR's fulfillment of its obligations, the COUNTY agrees to the following:

A. The COUNTY will provide motor vehicle training for the SPONSOR and SPONSOR's employees, contractors, agents and representatives who will be driving on the Los Angeles County Beaches. The Department shall provide

SPONSOR and SPONSOR's employees, contractors, agents and representatives with access to the Los Angeles County Beaches to enable SPONSOR to exercise its rights and perform its obligations herein at no additional cost to SPONSOR. The Department may, upon written notice to SPONSOR, refuse entrance to the Los Angeles County Beaches to those of the SPONSOR's employees, contractors, agents or representatives who fail to conform to any regulations or procedures for driving on Los Angeles County Beaches.

B. The COUNTY will require that, during the term of this Agreement, any other COUNTY contracts related to the provision of public telephone services at the Los Angeles County Beaches be subject to, and not conflict with, the rights of SPONSOR provided for in this Agreement. Nothing in this Agreement shall alter, override or affect in any way the provisions of the Payphone Agreement, or any successor agreement, or any subcontracts pursuant to said agreement or any successor agreement.

**5. Approval Process**

A. SPONSOR shall request COUNTY approval in writing, and must obtain COUNTY's prior approval for all proposed advertising and Telephone Kiosk design/construction, and such approval shall not be unreasonably withheld. SPONSOR shall present by e-mail or other medium requested by the Department and, if unrelated to the design/construction of the Telephone Kiosks as in Section 5.A.2 below, the Chief Lifeguard any type of pictorial presentation as may be necessary for one or both of them to adequately review the SPONSOR's request(s). The Department and, as applicable, the Chief Lifeguard, shall respond via the same medium either approving or rejecting the request within 3 Business Days. The aforesaid prior approval requirement applies to the following uses of SPONSOR's rights:

- 1) Any proposed advertisement to be placed on the Promotional Panels;
- 2) The design, size, color, and nature of material of the Telephone Kiosk, the hanging mechanisms for attaching the Telephone Kiosk to the Public Telephone, and the illumination (electrical or otherwise) of each Telephone Kiosk location, with the understanding that all approvals for illumination are subject to change.

B. The SPONSOR agrees that all advertisements to be placed on the Promotional Panels shall be appropriate and in good taste. Such advertisements shall not include political advertising, materials critical of government agencies, advertisements of an indecent, obscene, pornographic or sexually explicit nature, materials advocating the use of illegal substances, tobacco or alcohol products, or for any companies in direct competition with the COUNTY's exclusive

sponsorships on Los Angeles County Beaches as defined by COUNTY in the following categories: (1) automobiles (not including automotive parts sold by companies that are not in competition for automobile sales with COUNTY's sponsor in this category) (2) bottled water, (3) carbonated beverage and (4) any other exclusive sponsorship granted by the COUNTY on Los Angeles County Beaches, unless such advertising is sold prior to notification to SPONSOR by COUNTY of the conflicting grant of exclusive sponsorship and subsequently placed in the Promotional Panels up to 6 months after such notification.

C. At its sole and reasonable discretion, the COUNTY may reject any and all advertisements proposed for placement on the Promotional Panels which it deems to fail to comport with the requisites of this Agreement, or which it deems injurious or harmful to its business, its reputation or public image or prone to impair the public's confidence in Los Angeles County. In addition, advertisement(s) already approved by the COUNTY may need to be removed from the Promotional Panels by SPONSOR at COUNTY's direction if there is a negative public reaction against any such advertisement(s). If COUNTY disapproves of an advertisement and SPONSOR so requests, the Director or his designee shall meet with SPONSOR and make a good faith attempt to resolve any disagreement.

D. If anything is placed in or upon the Telephone Kiosks, including advertisements on the Promotional Panels, which has not been approved by the COUNTY, then SPONSOR will have 24 hours from COUNTY's notice to remove any such item(s) from the Telephone Kiosks. If such items are still not removed after expiration of the 24-hour notice, then the COUNTY itself may remove the item(s) from the Telephone Kiosks and the COUNTY may require SPONSOR to reimburse COUNTY for such removal costs.

E. The SPONSOR agrees that all advertisements to be placed on the Promotional Panels will be two-dimensional printed materials that do not contain moving parts and shall not provide an audio message or a scent. Further, such advertisements shall not entail the distribution of any samples, fliers, brochures, coupons or other similar materials.

F. Any failure by the Department and/or Chief Lifeguard to respond to any of the SPONSOR requests for approval shall not be deemed to constitute their approval of the submitted item(s), and only affirmative approval(s) from the Department and/or Chief Lifeguard will constitute such approval.

6. **Term**

This Agreement shall be effective from the Commencement Date and shall continue for ten Agreement Years, subject to the provisions concerning termination set forth below in Section 10.

7. **Operational Expansion or Reduction**

In the event that the COUNTY after the Commencement Date obtains expanded jurisdictional and/or operational authority over any additional areas, the rights granted hereunder shall apply to such additional areas as well, provided that the County is legally entitled to grant such rights in the additional areas and the parties are able to renegotiate the annual fees commensurate with an increase in advertising if the total increase in Promotional Panels exceeds twenty-five (25) percent.

In the event that the County's jurisdictional or operational authority on Los Angeles County Beaches is reduced after the Commencement Date, or if the total number of Promotional Panels is reduced, both parties will in good faith promptly renegotiate a decrease in the annual fees commensurate with the decrease in advertising.

In the event that the number of Promotional Panels on Los Angeles County Beaches increases over twenty-five (25) percent after the Commencement Date, then both parties will in good faith promptly renegotiate an increase in the annual fees commensurate with the increase in advertising.

If the reduction of COUNTY's control exceeds fifty (50) percent of the area of the Los Angeles County Beaches under its control as of the Commencement Date, the SPONSOR may terminate this Agreement upon sixty (60) days' written notice to COUNTY without incurring any further liability or monetary obligation to the COUNTY beyond the liability or monetary obligation incurred up to and including the termination date.

8. **Indemnification**

SPONSOR shall indemnify, defend and hold harmless COUNTY, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the acts and/or omissions of either the SPONSOR or the SPONSOR's employees, contractors, agents, representatives, successors or assignees arising from and/or relating to this Agreement.

9. **Insurance**

Without limiting the SPONSOR's indemnification of the COUNTY, the SPONSOR and, as applicable, SPONSOR's agents and contractors shall provide and maintain at their own expense during the term of this Agreement the following program(s) of insurance covering the SPONSOR's activities. Such insurance shall be provided by insurer(s) satisfactory to the COUNTY's Risk Manager and evidence of such programs satisfactory to the COUNTY shall be delivered to the Department on or before the effective date of this Agreement.

Such evidence shall be maintained by SPONSOR and shall specifically identify this Agreement and shall contain express conditions that the COUNTY is to be given written notice at least thirty (30) days in advance of any material modification or termination of any program of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by the COUNTY and shall name the County of Los Angeles, its elected officials, officers, employees and agents as additional insureds.

A. Liability Insurance

- 1) A program including, but not limited to, comprehensive general liability, endorsed for broad form property damage with a combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence. If written with an annual aggregate limit, the aggregate limit shall be not less than two (2) times the required occurrence limit. Furthermore, there shall be not less than TWO MILLION DOLLARS (\$2,000,000) excess liability coverage. If written on a claims made form, the SPONSOR shall be required to provide an extended two-year reporting period commencing upon expiration or termination of the Agreement.
- 2) Comprehensive auto liability insurance endorsed for all owned, non-owned and hired vehicles with a combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence.

B. Workers' Compensation

- 1) A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability, with a ONE MILLION DOLLAR (\$1,000,000) limit and which specifically covers all persons providing services by or on behalf of the SPONSOR, and all risks to such persons under this Agreement. The COUNTY, in its sole discretion, may waive this requirement for organizations that are not legally required by the California Labor Code to maintain such coverage.

Failure on the part of the SPONSOR or its contractors and agents to procure or maintain required insurance shall constitute a material breach of this Agreement upon which the COUNTY may immediately suspend or terminate this Agreement.

10. Default and Termination

A. A party ("breaching party") shall be deemed to be in default of this Agreement upon one or both of the following conditions:

- 1) The breaching party fails to perform its obligations under this Agreement, and the breaching party fails to cure such failure within thirty (30) days after the breaching party's receipt of written notice by the other party describing the nature and extent of the failed performance. However, if the occurrence of such failure to perform is due to fire, earthquake, or other events reasonably beyond the control of the breaching party, the non-breaching party shall grant a reasonable extension of time within which the breaching party may meet its obligations, the length of time for such extensions to be reasonably determined by the non-breaching party; or
- 2) A party shall become bankrupt or insolvent, or enters into liquidation, or has a receiver appointed and is thereby prevented from fulfilling its obligations.

B. Upon the occurrence of either of the foregoing conditions, the non-breaching party shall have the right to terminate this Agreement within 60 days after serving notice to the breaching party. Any adjudication of rights arising as a result of default under this Agreement shall be limited to a determination of monetary damages due. In the event of termination of this Agreement by the default of SPONSOR, SPONSOR's liability for monetary damages shall be reduced to the extent COUNTY receives payment from a replacement sponsor or vendor for the right to sell advertising on the Promotional Panels during the period over which damages are calculated. Also, COUNTY and SPONSOR shall not be liable for any consequential damages that might accrue as a result of default or termination of this Agreement.

C. Neither party shall be held liable for any damages caused to the other by virtue of its failure to perform any obligation hereunder when said failure to perform is a result of a court order issued by court of competent jurisdiction.

D. The above actions granted to both parties in this Section shall be in addition to, and not in lieu of, any other rights and remedies to which either party may be entitled.

11. **Waiver**  
Failure or inability of any party to enforce any right hereunder shall not waive any right to enforce said right in the future.

12. **Notices**  
All notices and statements to be given hereunder shall be given to the designated persons at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Any such notice shall be sent by registered or certified mail and shall be effective upon receipt.

SPONSOR shall maintain an address within California as the address to which such notice shall be given and shall designate an agent with a California address to accept service of process. The address for notice and agents for service of process are:

COUNTY Department of Beaches and Harbors  
13837 Fiji Way  
Marina del Rey CA 90292  
Attn: Dorothy Crane, Chief  
Community and Marketing Services Division

SPONSOR Taylor Ramsey  
Verizon Public Communications  
9900 Flower St.  
Bellflower, CA 90706

13. **Assignment**

Neither party shall have the right to assign or delegate any of its rights or obligations hereunder to any third party without prior written consent of the other party, which consent shall not be unreasonably withheld. The Director shall on behalf of the COUNTY approve/disapprove any such request made by the SPONSOR.

14. **Compliance with Law, Rules and Regulations**

Each party hereto shall comply with all applicable federal and state laws and regulations, as well as all municipal and COUNTY ordinances, rules and regulations, including but not limited to those relating to the Los Angeles County Department of Beaches and Harbors and the Los Angeles County Fire Department.

15. **COUNTY Lobbyist**

SPONSOR agrees that each "County Lobbyist", as defined in Los Angeles County Code Section 2.160.010, retained by the SPONSOR shall fully comply with the County Lobbyist Ordinance that is set forth in Los Angeles County Code Chapter 2.160. Failure on the part of any County Lobbyist retained by the SPONSOR to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which the COUNTY may immediately terminate this Agreement, upon written notice thereof to SPONSOR.

16. **Severability of Provisions**

Should any individual provision of this Agreement be declared void, the validity of the remainder of this Agreement will not be affected and will remain in full force and effect.

17. **No Joint Venture**

Nothing herein contained shall be deemed to constitute this a joint venture or partnership between the parties and none of them shall be responsible for any obligations of the others, except as herein specifically provided.

18. **Taxes and Assessments**

The SPONSOR's interest in the Telephone Kiosks or in the advertising sold on the Promotional Panels may be subject to taxation and/or assessment, and in the event this should occur, the SPONSOR shall pay before delinquency all lawful taxes, assessments, fees or charges which at any time may be levied by the State, COUNTY, City or any other tax or assessment levying body.

19. **Termination for Improper Consideration**

COUNTY may, by written notice to SPONSOR, immediately terminate the right of SPONSOR to proceed under this Agreement if it is found that consideration, in any form, was offered or given by SPONSOR, either directly or through an intermediary, to any COUNTY officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award or amendment of the Agreement or the making of any determinations with respect to the SPONSOR's performance pursuant to the Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against SPONSOR as it could pursue in the event of default by the SPONSOR.

SPONSOR shall immediately report any attempt by a COUNTY officer, employee or agent to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with the supervision of the employee or to the COUNTY Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

20. **Headings**

The headings of the paragraphed Sections of this Agreement are for convenience and reference only, and shall not define or limit any of the terms or provisions hereof.

21. **Amendment of Agreement**

Only nonmaterial amendments to the Agreement that do not materially change the scope of the Agreement, increase the COUNTY's financial responsibility or impose additional liability on the COUNTY may be executed without approval of the Los Angeles County Board of Supervisors and all amendments must be in

writing and shall not be effective unless and until executed by SPONSOR and, in the case of the COUNTY, until executed by the Director.

22. **Governing Law**

This Agreement and all of its terms and conditions thereof shall be governed by and construed in accordance with the laws of the State of California. SPONSOR agrees that the exclusive venue of any action arising from or connected with this Agreement shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

23. **Entire Agreement**

This Agreement contains the entire understanding between the parties relating to the subject matter herein contained and supercedes all previous communications, written or oral, with respect to the subject matter hereof.

IN WITNESS WHEREOF SPONSOR has executed this Agreement, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board thereof, the day and year first above written.

SPONSOR

VERIZON CALIFORNIA, INC.

**ORIGINAL SIGNED**

By: \_\_\_\_\_  
Paul V. Francischetti  
Executive Director

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Supervisor Yvonne Brathwaite Burke, Chair  
Board of Supervisors

ATTEST

VIOLET VARONA-LUKENS  
Executive Office-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By: \_\_\_\_\_  
Deputy